

Volume 13.

December 1983

Quarterly Publication

High Water will be published quarterly this year. Issues will be distributed at the end of December, March, June, and September. If information becomes available that demands special attention, **High Water** will devote an extra issue to cover that information.

We are still interested in having you supply articles, photos or information that you feel could be used in **High Water**.

Phone Number Change

The Floodplain Management Section has changed its telephone number to 444-6646. We hope you haven't been inconvenienced if you have tried to call us at the old number.

The state office of the Disaster and Emergency Services has changed its telephone number, also—it is now 444-6911.

CHANGES IN THE NATIONAL FLOOD INSURANCE PROGRAM

Flood insurance rates charged for coverage on both new and existing structures were increased effective October 1, 1983 by the Federal Insurance Administration (FIA) within the Federal Emergency Management Agency (FEMA). The increase was made to bring the National Flood Insurance Program (NFIP) closer to being self-supporting.

Although costs of processing and issuing policies have not changed over the past 33 months, increased flood losses and flood insurance claims have produced large deficits in the NFIP, which made it necessary to borrow a considerable amount of money from the U.S. Treasury. By increasing the insurance rates, NFIP should be able to reduce this deficit, which must be underwritten by taxpayer dollars.

In the Emergency Phase of the NFIP, subsidized rates for coverage of residential structures were increased from 40 cents to 45 cents per \$100 of coverage. Prices for contents coverage have gone from 50 cents to 55 cents per \$100. Rates for non-residential structures in the Emergency Phase went from 50 cents to 55 cents per \$100 of coverage, with the contents coverage increasing from \$1.00 to \$1.10 per \$100.

For those communities participating in the Regular Phase of the NFIP, where rates are actuarial, or based on the degree of flood risk, the average increase amounts to about \$18.00 per year, or \$1.50 per month.

In an attempt to distribute the rates more equitably than in the past, the largest rate increases will affect the high hazard V-Zones, or coastal properties subject to wave actions. (Montana, of course, has no V-Zones.)

In addition to increased rates, some insurance policy changes are being introduced that will help reduce the overall cost of the program. Three of the major changes are:

BASEMENT COVERAGE

As of October 1, 1983, new and renewal policies no longer cover flood damage to finished walls, floors, ceilings, or other similar construction or improvements in a basement. Nor does coverage extend to enclosures located below the lowest floor (two feet above the 100-year flood elevation) of a building (except for the required utility connections, foundation walls, and anchorage systems required for the support of the building). Finally, contents including furniture, building machinery, and equipment located in a basement or below the lowest floor of a building are not protected by a flood insurance policy. In the case of a building constructed before October 1, 1983, however, coverage will still be provided for sump pumps, well water tanks, oil tanks, furnaces, hot water heaters, clothes washers and dryers, food freezers, air conditioners, heat pumps, and electric junction and circuit breaker boxes located in basements. **Any new structures must store this type of equipment at or above the lowest floor.** If this is not done, the equipment will not be covered by insurance.

DEDUCTIBLES

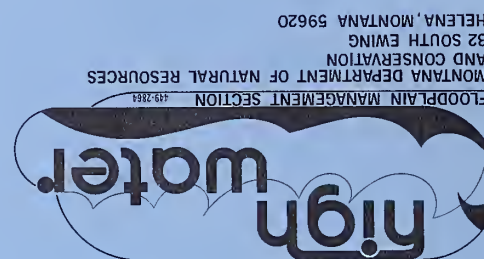
Flood insurance policies currently have a basic deductible of \$500 for each loss to a structure and its contents. On April 1, 1984, policy holders will be able to choose higher deductibles. The options will be in \$1,000 increments up to a maximum of \$5,000. The higher deductibles will provide a means for policy holders who are primarily concerned with protection for a major catastrophe to reduce their flood insurance premiums from 10 to 35 percent.

CERTIFICATION

Policies written or renewed after October 1, 1983, provide for re-certification of the rating information used to rate the application. This will be accomplished by mailing a re-certification questionnaire to policy holders where there may be some question concerning the accuracy of the information contained in FIA's computer records or where the rating information has not been recently updated. (Applications for flood insurance in regular program communities must be accompanied by a certification of the lowest floor elevation.)

These three changes are concerned only with the insurance policy itself in an attempt to reduce the costs associated with the NFIP to the general taxpayer.

No change is being made in the program as far as the community is concerned. The floodplain management requirements that need to be enforced are the same.



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NFIP ESTIMATED REVISED RATES

	Average Yearly Premium Before Revision	Change In % In \$	Average Yearly Premium After Revision
EMERGENCY PROGRAM (subsidized rates)	\$159	10 15	\$174
REGULAR PROGRAM (actuarial rates)			
ZONE A	\$225	0 0	\$225
ZONE B,C,D	\$145	14 20	\$165

The information concerning the NFIP changes was taken from the North Dakota Floodlines-Floodplain Management Newsletter, Vol. 2, No. 10 October 1-November, 1983. Office of the North Dakota State Engineer, North Dakota State Water Commission, Mary Fran Myers, Editor.

New Publications

Three new publications are available from the Floodplain Management Section:

Flood Protection For Mobile Homes, September 1983; **Protect Your Investments Through the National Flood Insurance Program**, September 1983; and **Questions and Answers On The National Flood Insurance Program**, February 1983.

Flood Protection For Mobile Homes is a brochure published by the DNRC Floodplain Management Section. The brochure explains the flood-proofing techniques required for mobile homes located in the floodplain for Emergency and Regular Phase communities.

Protect Your Investments is a leaflet published by DNRC. This brochure was developed to help the lending profession address the release of federal funds for improvements or development in the floodplain and decide what obligations (insurance, etc.) are required. This is available to the public, too.

Questions and Answers is a 26-page booklet published by the Federal Emergency Management Agency (FEMA) that answers some general, often-asked questions about the NFIP.

All publications are available at no charge.

Signs

Two signs have been developed and are available for distribution for use in any community: **THIS IS THE HEIGHT—Elev. _____ M.S.L.—OF THE 100-YEAR FLOOD**; and **WATER was at this height _____ during the highest flood of record**.

These signs are 3x5-inch anodized aluminum with bold black lettering. To fill in the 100-year flood elevation sign, take elevations from the Flood Insurance Rate Map and stamp the figures on the sign, using metal stamping tools.

The signs can be put up on bridge abutments, telephone poles, and sides of buildings. Many communities are without accurate reference marks for flood surveying. These can be used for that purpose.

The 100-year elevation sign can only be used by communities in the Regular Phase that have that information. But, both Emergency and Regular Phase communities could use the Flood of Record signs.

We will assist communities in the placement of these signs. Communities that have the survey staff could assist us by placing their own signs.

Call us if you would like to use the signs or need help in placing them.

Mitigation Plans

Pre-Flood Hazard Mitigation Plans have been completed and distributed in Yellowstone County (Laurel & Billings), Cascade County (Great Falls), Flathead County (Kalispell), and Missoula County (Missoula). These plans were created to assist the communities in identifying areas of high hazard and in developing recommendations on how to reduce or eliminate the impacts of flooding before the next flood occurs.

Contact Tim Pool for information contained in these reports or for suggestions on how to develop a plan for your community.

A SPECIAL MESSAGE FROM THE ADMINISTRATOR OF MONTANA'S DISASTER AND EMERGENCY SERVICES DIVISION, C. L. GILBERTSON

Montana's Disaster and Emergency Services Division (DES), with guidance from the Federal Emergency Management Agency, is establishing, within state and local government, a new concept called the Integrated Emergency Management System (IEMS). This system is designed to develop and maintain workable emergency management by integrating activities to deal with all hazards.

This year, state and local governments will (1) determine what hazards exist in their areas, and the magnitude of risk; (2) assess the capacity of existing agencies to cope with those hazards; (3) and establish realistic plans to close the gap between present and required capabilities to handle crises.

The first step in this process is Hazard Analysis; in most jurisdictions, flooding will rank high as a likely hazard. The local Floodplain Administrators will work closely with the local Disaster and Emergency Services coordinators in the Hazard Analysis process. DES needs the help of Floodplain Administrators. As the process continues, it should help to make the public aware of the Floodplain Management Program as well.

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